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PAGE 01 KINGST 02241 01 OF 02 270121Z
ACTION ARA-15
INFO OCT-01 ADS-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 PA-01 SP-02 SS-15 NSCE-00 SSO-00
ICAE-00 INRE-00 AID-07 COME-00 EB-08 FRE-03
TRSE-00 XMB-02 OPIC-07 LAB-04 SIL-01 STR-09
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C O N F I D E N T I A L SECTION 1 OF 2 KINGSTON 02241
E.O.12065: GDS 3/26/86 (HAVERKAMP R) OR-M
TAGS: EFIN, IMF, PINT, JM
SUBJECT: D.K. DUNCAN ANNOUNCES PNP PARTY PIANS ANTI-AND POST IMF
REFS: (A) KINGSTON 2202, (B) KINGSTON 2159
1. C-ENTIRE TEXT
2. SUMMARY IN A PRESS CONFERENCE HELD AT JAMAICA HOUSE ON MARCH 24, PNP GENERAL SECRETARY D.K. DUNCAN OUTLINES WHY THE PNP NATIONAL EXECUTIVE COUNCIL RECOMMENDED TO THE GOVERNMENT THAT IT BREAK OFF NEGOTIATIONS FOR A INTERM IMF AGREEMENT, A DECISION WHICH THE CABINET ACCEPTED, AND ANNOUNCED CERTAIN MEASURES PROPOSED BY THE PARTY TO THE GOVERNMENT AS HOW BEST TO PROCEED ALON A NON IMF PATH. PROMINENT AMONG THE LATTER WAS THE PROPOSAL TO ESTABLISH AN ECONOMIC INTELLIGENC UNIT WITHIN THE PARTY TO EN ABLE THE POLICAL DIRECTORATE TO THWART HOARDING, SABOTAGE OF THE ECONOMY AND ADVRSE PROPAGANDA. THE KEY ARGUMENT AGAINST THE CONTINUATION OF ANY FORM OF ARRANGEMENT WITH THE IMF WAS THE FUNDS'S INSISTENCE ON CONDITIONALITY ATTACHED TO ANY MOIES PROVIDED. DUNCAN STATED THAT THE IMF HAD INSISTED ON QUARTELY
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PAGE 02 KINGST 02241 01 OF 02 270121Z
TESTS OF SUCH DIFFICULT THAT JAMAICA COULD
NOT HELP BUT FAIL
IN JUNE AND AGAIN IN SEPTEMBER. END SUMMARY.
3. GENERAL PNP SECRETARY D.K. DUNCAN, WHO HAS LED THE ANTI-IMF BRIGADES IN THEIR INCREASINGLY FIERCE AND SUCCESSFUL CAMAPIGN AGAINST A CONTINUED JAMAICAN AGREEMENT WITH THE FUNI, HELD A PRESS CONFERENCE AFTER THE ANTI-IMF VICTORY AT LAST SATURDAY'S PNP NATIONAL EXECUTIVE COUNCIL SESSION (SEE KINGSTON 2202) AS ALREADY REPORTED THE PNP'S NEC HAD REAFFIRMED ITS EARLIER. RECOMMENDATION TO THE GOVERNMENT THAT IT END NEGOTIATIONS WITH THE IMF TOWARDS AN INTERIM STANDBY ARRANGEMENT. DR. DUNCAN HAD TAKEN PART IN A RADIO CALL IN SHOW DISCUSSION DURING THE AFTER NOON OF MARCH 24, BUT HE GAVE A FULLER ACCOUNT OF HIS VIEWS AND PLANS AT A PRESS CONFERENCE HELD AT JAMAICA HOUSE THAT EVENING HE FORCEFULLY DENOUNCED THE IMF FOR THE ATTACHMENT OF CONDITIONALITY TO ITS LENDING. HE FURTHER DECRIED THE PROPOSED ARRANGEMENT PRESENTED TO THE NEC WHICH WAS PREPARED BY FINANCE MINISTER

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BELL AND IMF TEAM LEADER ALBERTELLI, AS SETTING IMPOSSIBLE QUARTERLY TESTS. DUNCAN STATED THAT FAILURE OF THE FIRST SUCH TEST - SLATED FOR JUNE - WAS INEVITABLE AND SUGGESTED THAT THIS WOULD ONLY BRING FURTHER FRUSTRATION AND EMBARRASSMENT TO JAMAICA, HENCE, THE NEED TO TURN FROM THE IMF PATH NOW RATHER THAN LATER.

4. DUNCAN ANNOUNCED THAT THE PNP'S ECONOMIC COMMISSION EXPECTS TO PUCLISH THE ALTERNATIVE TO THE IMF ON MARCH 30. HE DID NOT PROVIDE DETAILS. HOWEVER, DUNCAN MADE MUCH OF THE NEC'S PROPOSAL TO THE GOVERNMENT THAT IS SET UP AN ECONOMIC INTELLIGENCE UNIT (EIU) WITHIN THE PARTY. (EMBASSY NOTE: A FINANCIAL INTELLIGENCE UNIT ALREADY EXISTS UNDER THE MINISTRY OF NATIONAL SECURITY TO POLICE ILLEGAL FOREIGN EXCHANGE TRANSACTIONS, PARTICULARLY SMUGGLING OF

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FOREIGN EXCHANGE OUT OF THE COUNTRY. IN CONTRAST, THE PROPOSED ECONOMIC INTELLIGENCE UNIT WOULD BE AN ARM OF THE PARTY AND NOT A GOVERNMENT BODY.) THE EIU WOULD OPERATE A SYSTEM TO MONITOR COMMUNICATIONS, NAMELY TELEPHONE CALLS, LETTERS, ETC. AND CHANNEL ITS REPORTS TO THE PN POLITICAL DIRECTORATE, I.E. THE CABINET AND INDIVIDUAL MINISTRIES, FOR "CORRECTIVE ACTION." DR. DUNCAN ALSO STATED THAT THE PARTY HAS ADDITIONAL PREVENTIVE MEASURES TO PROPOSE TO CABINET TO PREVENT LEAKAGE OF FOREIGN EXCHANGE BY VIOLATION OF FOREIGN EXCHANGE CONTROLS GENERALLY AND IN THE TOURISM SECTOR, PARTICULARLY. THESE WOULD INCLUDE INVESTIGATION OF POSSIBLE UNDER/OVER INVOICNG BY BUSINESSMEN AND MONITORING OF INDUSTRIAL LAYOOFS AND CLOSINGS TO DETERMINE WHETHER ECONOMIC SABOTAGE RATHER THAN GENUINE SHORRAGE OF RAW MATERIALS IS INVOLVED. THE PNP INTENDS TO SEEK AN ANTI-LAYOFF LAW TO ASSIST THESE EFFORTS. DR. DUNCAN EXPRESSED THE HOPE THAT THE PNP'S SPECIFIC PROPOSALS FOR WIDER COMMUNITY INVOLVEMENT COULD BE PUBLISHED SHORTLY, IDEALLY ALONG WITH THE DOCUMENT EMBODYING THE "ALTERNATIVE" ECONOMIC PLAN. THE PNP ALSO PROPOSES T TO ASK THE GOVERNMENT TO PUT ITS INFORMATION APPARATUS AT THE PARTY'S DISPOSAL TO FACILITATE THE PARTY'S PUBLIC INFORMATION EFFORTS.

5. COMMENT:

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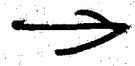

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PAGE 01 KINGST 02241 02 OF 02 262224Z
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